

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1490 - SB 2238

March 12, 2014

**SUMMARY OF BILL:** Authorizes the Chief Administrative Officer (CAO) of the County Highway Department to remove or cause to be removed obstructions upon, within, below, along, or adjacent to the county roads and rights-of-way. Requires utilities to notify and obtain permission from the CAO of the County Highway Department prior to commencement of any work related to maintenance, placement, or removal of a utility. Authorizes county legislative bodies to enact regulations governing the installation, maintenance, and removal of utilities upon, within, below, along, or adjacent to county road rights-of-way and to require utilities to obtain a permit and pay a permit fee prior to performing work within the county road. Defines “utility” to be any line, system, or facility used for producing, storing, conveying, transmitting, or distributing communications, electricity, gas, petroleum, petroleum products, hazardous liquids, water, steam, sewerage, and other underground facilities.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – Due to multiple unknown factors, a precise shift between municipal and county government cannot reasonably be determined; however the net impact to local government is estimated to be not significant.**

Assumptions:

- According to the Department of Agriculture, the Department of Environment and Conservation and the Department of Transportation, the provisions of the bill will not fiscally impact the departments.
- Under current law, transmission lines, telephone or telegraph lines, or poles may be placed on and along the right-of-way of a county road under the direction and with the permission of the CAO of the county highway department.
- Pursuant to Tenn. Code Ann. § 7-82-304 (a)(9), any utility district created by the Utility District Law of 1937 has the power to use any right-of-way, easement, or other similar property necessary or convenient in connection with the acquisition, improvement, operations, or maintenance of a utility, held by the state or any political subdivision of the state; provided that the governing body of such political subdivision shall consent to such use.
- Under current law, when created by a local government for service of the local government, utility districts, electric companies, telecommunication companies, and wastewater companies are public entities and considered as local government entities.

- Companies providing such service not created by local governments are considered private entities.
- Due to multiple unknown factors, such as which counties will opt to enact permit fees, the extent of any permit fees charged, the extent of any increase in the expenditures of local government utilities for payment of permit fees, and the extent of any corresponding increase in county revenue, a precise fiscal impact to local government cannot reasonably be determined.
- However any impact to local government entities as a result of this bill will be a shift in local government expenditures from a municipality to a county and as such the net impact to local government is considered to be not significant.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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